MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2016/2017

BBF3104 - OFFSHORE BANKING AND FINANCE

(All sections / Groups)

9 MARCH 2017
9.00 a.m - 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of **TWO (2)** pages with **TWO (2)** sections only.

2. Section **A**: Three (3) questions. Attempt **ALL** questions.
   Section **B**: Attempt **ONE (1)** out of TWO (2) questions.
   All questions carry equal marks and the distribution of the marks for each question is given.

3. Please print all your answers in the Answer Booklet provided.

Section **A:** Attempt **ALL** questions.

QUESTION 1

Money laundering and anti-money laundering (AML) continue to be a hot topic, especially within businesses and large corporations, as international agencies continue to crack down on money laundering and sanctions violations. An estimated £231 billion is laundered annually.

A. Elaborate how money laundering is done; provide examples and illustration.
(15 marks)

B. Name the supra-national body responsible to develop and promote an international response to combat money laundering and explain its primary functions.
(10 marks)

(Total: 25 marks)

QUESTION 2

Seventy-five percent of the world's Fortune 500 companies are parent owners of captive insurance companies. More than 5,000 captive insurance companies have been established worldwide, with a total of captive premium income exceeding USD14 billion.

A. How does an offshore captive insurance work? Provide illustration.
(10 marks)

B. Describe three (3) different types of captive insurance companies.
(15 marks)

(Total: 25 marks)

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QUESTION 3

According to Islamic Finance News dated 7th December 2016 (Volume 13 Issue 49), the global financial markets continue to be rocked by political and economic challenges, with the repercussions of the United States elections sending shockwaves especially through emerging markets, which are struggling to adjust to the new normal. This is also a challenge to the offshore financial centres.

What should the regulators and supervisors do to ensure growth and success of their offshore financial centres? Discuss five initiatives.

(Total: 25 marks)

Section **B**: Attempt **ONE (1)** out of TWO (2) questions.

QUESTION 1

Compare and contrast between onshore and offshore jurisdictions. Discuss five (5) differences between the two.

(Total: 25 marks)

QUESTION 2

The Financial Stability Board (FSB) carried out assessment on offshore financial centres (OFCs) to assess the implications of OFCs on global financial stability and to make recommendations for addressing any concerns identified.

A. Explain the scope and framework of the assessment.

(10 marks)

B. Elaborate the grouping of the offshore financial centres by FSB based on the results of the survey.

(15 marks)

(Total: 25 marks)

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